

Message Text

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ACTION EA-09

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C O N F I D E N T I A L BANGKOK 1338

E.O. 11652: GDS

TAGS: OLAB, TH

SUBJECT: COLGATE-PALMOLIVE AND OTHER LABOR DISPUTES

REF: BANGKOK 25378

1. AFTER NEARLY THREE MONTHS, THE STRIKE AT THE COLGATE-PALMOLIVE FACTORY REMAINS UNRESOLVED. MANAGEMENT HAS OFFERED EMPLOYEES INCREASED WAGES AND FRINGE BENEFITS AVERAGING FIFTEEN PERCENT, BUT EMPLOYEE REPRESENTATIVES REMAIN INSIDE THE PLANT AND MANAGEMENT REPORTS INVENTORIES AND OFFICE EQUIPMENT HAVE BEEN STOLEN. ONE HALF OF THE FIRM'S 120 EMPLOYEES HAVE SIGNED A LETTER INDICATING THEY ARE WILLING TO RETURN TO WORK BUT THE RTG LABOR DEPARTMENT HAS RECANED ON EARLIER PROMISES TO SUPERVISE A SECRET BALLOT AND FORCE THE STRIKERS TO SUBMIT TO COMPULSORY ARBITRATION. DIRECTOR-GENERAL OF THE LABOR DEPARTMENT NIKHOM CHANTHARAWITHUN TOLD COLGATE'S MANAGERS THAT THERE WAS NOTHING HE COULD DO TO RESOLVE THE STRIKE.

2. MANAGEMENT IS CONVINCED OUTSIDE INVOLVEMENT BY THE NATIONAL LABOR COORDINATING CENTER (NLCC) AND AN UNKNOWN SOURCE OF FINANCIAL SUPPORT FOR SOME STRIKERS IS THE CAUSE OF THE PROLONGED STRIKE. STUDENTS AFFILIATED WITH THE NLCC ARE PRESENT IN THE PLANT USING CODE NAMES SUCH AS RED STAR AND HAVE SOLD MARXIST LITERATURE OSTENSIBLY TO OBTAIN FUNDS FOR THE STRIKERS. EMBASSY CONTACTS IN THE LABOR FIELD
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GENERALLY AGREE A "THIRD HAND" IS INVOLVED AND ONE WENT

SO FAR AS TO IMPLICATE KAIR ILYASHEV, A MEMBER OF THE USSR TRADE MISSION; AND A KNOWN KGB OFFICER.

3. COLGATE OFFICIALS HAVE A LAST RESORT WRITTEN A LETTER TO THE PRIME MINISTER REQUESTING RTG AND POLICE SUPPORT IN REOPENING THE PLANT AND PROTECTING PERSONNEL AND PROPERTY. THEY ARE SKEPTICAL THAT IN THIS PRE-ELECTION PERIOD ANY RTG OFFICIAL WILL BE COURAGEOUS TO RISK LABOR'S WRATH. IN ADDITION TO LABOR TROUBLES, THE MINISTRY OF INDUSTRY HAS DELAYED ISSUANCE OF COLGATE'S FACTORY LICENSE, RENEWING FEARS THE PLANT WILL BECOME AN ANTI-POLLUTION WHIPPING BOY IF AND WHEN THE STRIKE IS RESOLVED. COLGATE OFFICIALS CONTEND THERE IS NO TECHNICAL REASON FOR THE PLANT LICENSE PROBLEM, ONLY A QUESTION OF DELAY IN ISSUANCE BY A LOW LEVEL MINISTRY OF INDUSTRY CIVIL SERVANT WHO ROUTINELY SHAKES DOWN ALL APPLICANTS.

4. ANOTHER STRIKE HAS BEEN IN PROGRESS FOR FOUR MONTHS AT THE HARA GARMENT FACTORY. HERE TOO STRIKERS ARE BEING ADVISED BY THE NLCC. RECENTLY WORKERS BEGAN SELLING TROUSERS THEY CLAIM WERE MADE WITH MATERIAL AND EQUIPMENT PURCHASED WITH FUNDS DONATED BY STRIKE SYMPATHIZERS. THERE IS SPECULATION THAT THE GARMENTS WERE IN FACT STOLEN FROM THE PLANT.

5. THE MUNICIPAL ELECTRICITY AUTHORITY WORKERS UNION (MEAWU) HAS REACHED AGREEMENT WITH MANAGEMENT RESOLVING A LONG STANDING DISPUTE OVER OVERTIME PAY. MEA EMPLOYEES WORK ONE HOUR PER DAY MORE THAN OTHER STATE ENTERPRISE EMPLOYEES. MEAWU WANTED ALL EMPLOYEES TO RECEIVE AN INCREASE OF 150 BAHT PER MONTH AT A TOTAL COST OF 15 MILLION BAHT. THE GOVERNMENT OFFERED TO GIVE THE INCREASE BASED ON THE EMPLOYEE WAGE RESULTING IN GREATER BENEFIT TO THE HIGHER SALARIED WHITE COLLAR EMPLOYEES. AFTER TWO DAYS OF DISCUSSION AND A MEETING OF 4,000 MEMBERS, THE UNION PREVAILED. MEAWU LEADERS SAW THE GOVERNMENT PLAN AS AN EFFORT TO CREATE DISSENTION AT MEA. THE GOVERNMENT'S FAILURE TO INCLUDE UNION REPRESENTATIVES IN THE SESSIONS THAT WORKED OUT THE INITIAL OFFER LENDS CREDENCE TO THAT BELIEF.

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6. DESPITE DIRECTOR-GENERAL NIKHOM'S RECENTLY EXPRESSED STATEMENTS TO THE PRESS THAT LABOR UNREST WILL DIMINSH IN 1976, THE PROBLEMS HAVE REFUSED TO GO AWAY. THE LABOR DEPARTMENT HAS, OVER THE PAST TWO YEARS, TAKEN ON AD HOC APPROACH TO DISPUTE RESOLUTION. WITH A CARETAKER GOVERNMENT, ANY DECISIONS ARE LIKELY TO BE DIFFICULT TO OBTAIN. IRONICALLY LABOR UNION MEMBERS ARE BEGINNING TO CALL FOR A MORE ORDERLY SYSTEM OF DISPUTE SETTLEMENT. RECENTLY,

AN EMBASSY OFFICER OVERHEARD ONE UNION LEADER TELL A LABOR
DEPARTMENT OFFICIAL, "WORKERS HAVE TWO PROBLEMS: WAGES
AND THE LABOR DEPARTMENT."
MASTERS

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